

MAINE STATE LEGISLATURE

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**STATE OF MAINE
114TH LEGISLATURE
FIRST REGULAR SESSION**



**BILL SUMMARY
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE
JULY 1989**

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ONE HUNDRED AND FOURTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
AUGUST 1989

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The summaries are arranged by LD number for each committee.

All Adopted Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor for floor amendments. Final action is listed to the right of the title. If final House and Senate action differ, both are listed. Committee Reports and Floor Action are abbreviated as follows:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

Each individual summary was prepared by the analyst assigned, as noted for each committee. But, this document was produced by the efforts of all the office staff, including Research Assistant Barbara McGinn, and secretaries: Charlene Brann, and Valarie Parlin, and especially Laurette Knox who coordinated preparation of the overall document.

Please give us your suggestions and comments on these summaries and tell us of any inaccuracies.

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COMMITTEE REPORT
LV/WD

AMENDMENTS ADOPTED

SUMMARY

The bill would require the Bureau of Insurance to collect more detailed data on the lines of insurance for which it currently collects data, and to expand the lines of insurance for which it collects this data. The bureau of insurance would be required to adopt rules requiring insurers to record and report data on its loss and expense experience, and to establish a form for reporting the data. The bill is based on draft proposal by the National Conference of State Legislatures. A copy of the revised NCSL model, and of a model from the National Association of Insurance Commissioners was introduced to the committee.

The committee gave the bill leave to withdraw, but requested that the Bureau of Insurance review the models to determine whether it would be appropriate for the Bureau to adopt some of the additional information requirements included in the models.

LD 1563 An Act to Reform the Workers' Compensation Insurance Rate-making Process

LV/WD

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COMMITTEE REPORT
LV/WD

AMENDMENTS ADOPTED

SUMMARY

The bill amends certain aspects of the workers' compensation insurance rate-making process by: repealing the statute prohibiting a court reviewing workers' compensation decisions from substituting its judgment for that of the superintendent; establishes that the court must review the superintendent's orders de novo; expands the existing ex parte communication prohibition by prohibiting ex parte contacts between the superintendent and insurers or rating organizations at any time, regardless of the pendency of an adjudicatory case; and requires the bureau of insurance to maintain a log of contacts. The bill also requires insurers that provide at least 5% of worker's compensation insurance in the state to file company specific data, and prohibits the superintendent from considering information from companies that have withdrawn from writing insurance in the state and from companies whose underwriting and claims processing standards are not in conformance with industry standards.

LD 1652 An Act To Protect Maine Businesses against Workers' Compensation Insurer Rate Gouging

PUBLIC 467

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COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
S-302

SUMMARY

The bill permits the Public Advocate, and organizations representing business and labor to file with the superintendent of insurance for workers' compensation rate reductions. The bill also requires the superintendent to review the fee for servicing the involuntary market each time a rate increase is granted, and limits the servicing fee to 20% of premium.